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T00975A003800360001-0

30 July 1958

Copy No. C

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CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 36
NO CHANGE IN CLASS.
I I DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 2010
AUTH: HR 702
DATE: 3/25/80 REVIEWER:

State Dept. review completed

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CENTRAL INTELLIGENCE BULLETIN

30 July 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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II. ASIA-AFRICA

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Laos: Prospects for an effective anti-Communist government appear to be fading. Premier-designate Souvanna has offered young pro-Western reformist elements minority representation in the cabinet, but they are still insisting on a majority. Their bargaining power is being reduced by the irresolution of Crown Prince Savang and the army. Both had earlier threatened to impose a strong government.

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Japan: The pro-Communist leadership in Japan's labor organizations has received a serious setback, with moderate leftists gaining control of 11 of 17 seats on the executive committee of Sohyo, Japan's largest labor federation. Pro-Communist

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leaders in the important railway and teachers' unions have also been ousted. These developments stem in part from the Kishi government's crackdown on leftist influence in labor and education.

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III. THE WEST

*N*o France: A French Foreign Ministry spokesman's statement that France might take the initiative in re-establishing diplomatic relations with Iraq, which were broken off as a result of the Suez intervention, is in line with recent statements by De Gaulle that the West must eventually come to terms with Arab nationalism.

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O K Haiti: The Duvalier government's success in checking an attempted coup by former army officers on 29 July does not remove the threat of further attempts. Opposition leaders have long been plotting with the covert support of Dominican dictator Trujillo, and it is doubtful that the failure of one attempt would discourage future moves against the Duvalier regime.

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O K British Guiana: Minister of Trade and Industry and leader of the Communist People's Progressive party Cheddi Jagan, is dissatisfied with the \$15,400,000 loan just received from Britain. He is seeking funds elsewhere for the economic development program which he hopes to use to consolidate the People's Progressive party's dominant position in the colony. Jagan is expected in Washington on 30 July.

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DAILY BRIEF

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Proposed Laotian Government Weak

Premier-designate Souvanna Phouma appears determined to frustrate the drive for an effective anti-Communist government in Laos dominated by young civil and military leaders. In a superficial accommodation to reformist pressure he has offered young leaders five seats in a 14-man cabinet. The American ambassador describes the proposed slates as "woefully weak."

The "young turks"--organized in the Committee for the Defense of the National Interests--have rejected Souvanna's offer and are threatening a coup unless they receive a majority of cabinet posts. However, the committee's demands have lost some force as a result of irresolution on the part of the crown and army who had earlier threatened to impose a government. It is apparent now that General Ouane, army chief of staff and committee member, is subservient to Souvanna.

In Vientiane, both the police and the army are on alert status, and it is possible that top army leaders identified with the committee could bypass Ouane and gain control of the army. In that event, Souvanna would probably reassess his position and accede to committee demands for majority representation.

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Pro-Communists in Japanese Labor Suffer Major Setback

The pro-Communist leadership in Japan's labor organizations has received a serious setback, with moderate leftists gaining control of 11 of 17 seats on the executive committee of Sohyo, Japan's largest labor federation. Pro-Communist leaders in the important railway and teachers' unions have also been ousted. These developments stem in part from the Kishi government's crackdown on leftist influence in labor and education.

The national railway workers' and the teachers' unions, the backbone of the Sohyo federation with a combined membership of 900,000, replaced pro-Communists with moderate leftists during their conventions this month, probably hoping to escape further government pressures. The government had refused to bargain collectively with the railway union until union officials responsible for illegal strikes last year were dropped. The government also has instituted a standardized teacher-rating system, as well as other measures, throughout the public schools in order to weaken pro-Communist control of the teachers' union and its influence on some 20,000,000 school children.

During the Sohyo convention, which ended on 25 July, moderates gained 11 of 17 seats on the standing executive committee and won all major offices except two of five vice presidencies which went to extremists.

The success of the government crackdown thus far may encourage moves against leftists in other organizations. An ultimate aim of the program probably is to weaken the support which the Socialist party derives from Sohyo and a majority of youthful voters.

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III. THE WEST

Coup Attempt Against Haitian Government Fails

The failure of a small group of former Haitian Army officers, apparently supporters of former President Paul E. Magloire, to effect a coup against the Duvalier regime on 29 July does not remove the threat of further such attempts.

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Duvalier has lost popularity through his brutal repression of opposition groups, his creation of a terroristic secret police, his purges of army officers whose loyalty he doubted, and his apparent inability to deal effectively with Haiti's serious economic and social problems. Extreme poverty and the resurgence of the race issue, exacerbated by Duvalier's harsh treatment of the mulatto elite, have kept tension high, and any indication of serious political instability could trigger a complete breakdown of public order.

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Communist Minister From British Guiana Seeking Funds in US

British Guiana's Minister of Trade and Industry and leader of the Communist People's Progressive party Cheddi Jagan is dissatisfied with the \$15,400,000 loan just received from Britain. He is seeking funds elsewhere for the economic development program with which he hopes to consolidate the dominant position of the People's Progressive party (PPP) in the colony. Jagan is expected in Washington on 30 July. He may ask for a private American economic adviser and try to promote a loan from the International Bank of Reconstruction and Development for transportation needs in the colony.

The PPP has been able to effect only slight economic progress since its electoral victory of August 1957, and Jagan was seeking a much larger loan and greater autonomy in order to quell growing criticism.

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During his London visit, Jagan may have renewed contacts with bloc representatives and British leftists,

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[redacted] He has so far received propaganda material from foreign Communist sources but no substantial financial assistance. Since the elections, he and his wife, Janet, the minister of labor, health, and housing, have increasingly installed Communists in influential party posts and distributed Communist literature.

While still in control of the PPP, Jagan is facing increasing opposition on a personal basis, and he may feel constrained to abandon the cooperative attitude toward the British authorities he has displayed thus far as the effective leader of the colony's government.

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